



UAW/DaimlerChrysler Kenosha Community Health Care Initiative

Ken Johnson, Co-Director UAW
Geoffrey Schick, Co-Director DC

Presentation Goals

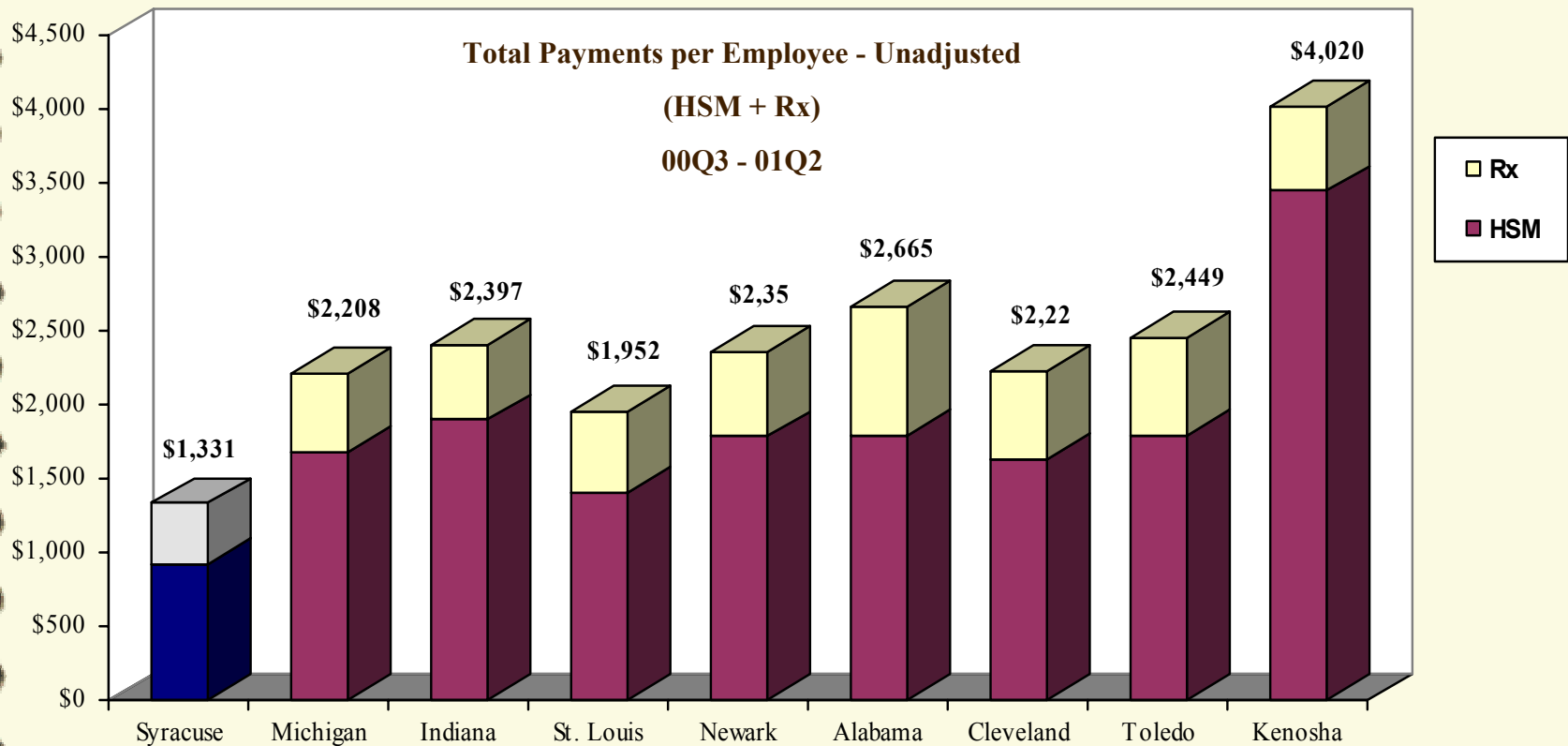
✓ Today's Objectives

- Brief Background
- Overview of key findings
- Developing the Kenosha Community

Health Care Initiative (KCHCI)

Why Kenosha?

✓ Highest payment level per employee of all DaimlerChrysler locations.



Why Kenosha (con't)

- ✓ Relationship true at least 1998 through 2001!
- ✓ We have the data to show the Kenosha location is the highest of all DC...but we don't have all the reasons why.
- ✓ When adjusted by age & sex, Kenosha is still highest...173% above BDP!

Community Roll-Out Presentation

- ✓ 21 month data collection/analysis process to evaluate:
 - Health Status
 - Health Care Resources & Utilization
 - Quality of Care Indicators
 - Health Care Cost & Payments
- ✓ April 18th presentation of findings to Kenosha Community

The Target Community is Kenosha County

- ✓ “Community” is defined as both the residents who live in the area as well as the providers located in the area.
- ✓ The experience of the target area is compared to a range of benchmarks.

Overview of Key Findings: Health Status

- ✓ Favorable demographic and socioeconomic status.
- ✓ Good health in many areas, not-so-good in others (Cardiovascular)
- ✓ Wide gap in health between white and minority populations.

Overview of Key Findings: Health Services

- ✓ High proportion of people go outside for care.
- ✓ Too many hospital beds, based on current patterns of use.
- ✓ Access to mental health services may be an issue.
- ✓ Higher payments for care provided outside Kenosha.

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Key Findings: Health Assessment

Cardiovascular disease is the leading cause of death in Kenosha

Chronic Disease Mortality (deaths per 100,000 persons)

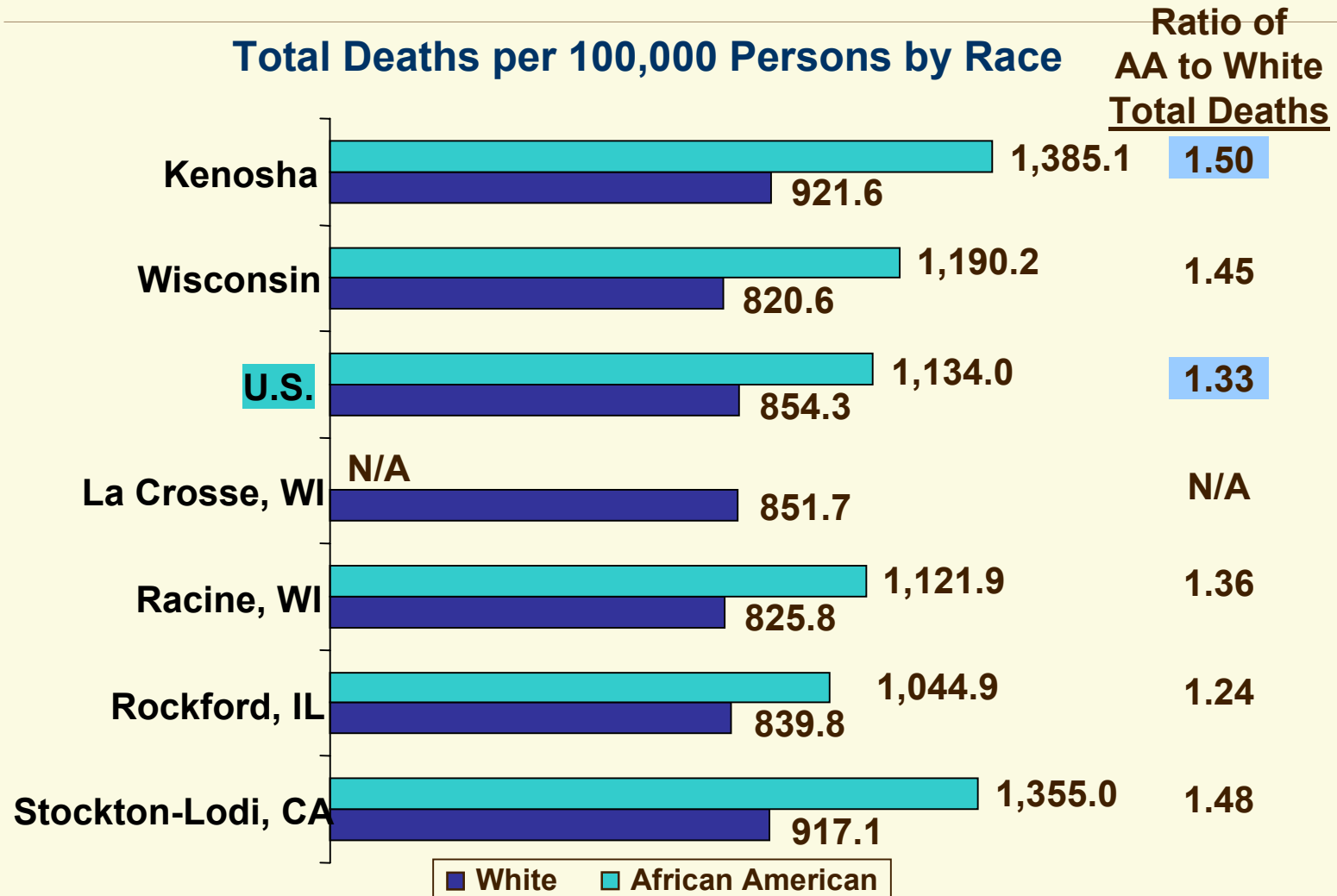
Indicator	Kenosha	U.S.
Major Cardiovascular Disease	411.0	353.6
Heart Disease	314.2	272.4
Cerebrovascular Disease	78.2	59.6
Diabetes Mellitus	37.6	24.2
Chronic Obstructive Lung Disease (e.g., emphysema)	41.5	42.0
Chronic Liver Disease and Cirrhosis	12.2	9.5

Smoking and Alcohol Consumption Contribute to Poor Health



- ✓ A higher proportion of adults in Kenosha smoke compared to benchmarks.
- ✓ 38% of adults report smoking, well above the Healthy People 2010 goal of 12%.
- ✓ 36% of Kenosha residents report binge drinking (5 or more drinks at one time)

Gap in Minority Health Status is Greater than Benchmarks



African Americans Died from Cancer and Diabetes at Twice the Rate of Whites

Chronic Disease Mortality (deaths per 100,000 persons)

Indicator	Kenosha Rate for African Americans	Kenosha Rate for Whites	Disparity Ratio of African Americans to Whites
Overall	1,385.1	921.6	1.50
Heart Disease	340.1	295.7	1.15
Cerebrovascular Disease	121.2	68.9	1.76
Diabetes Mellitus	62.8	31.6	1.99
Cancer	310.6	149.8	2.01

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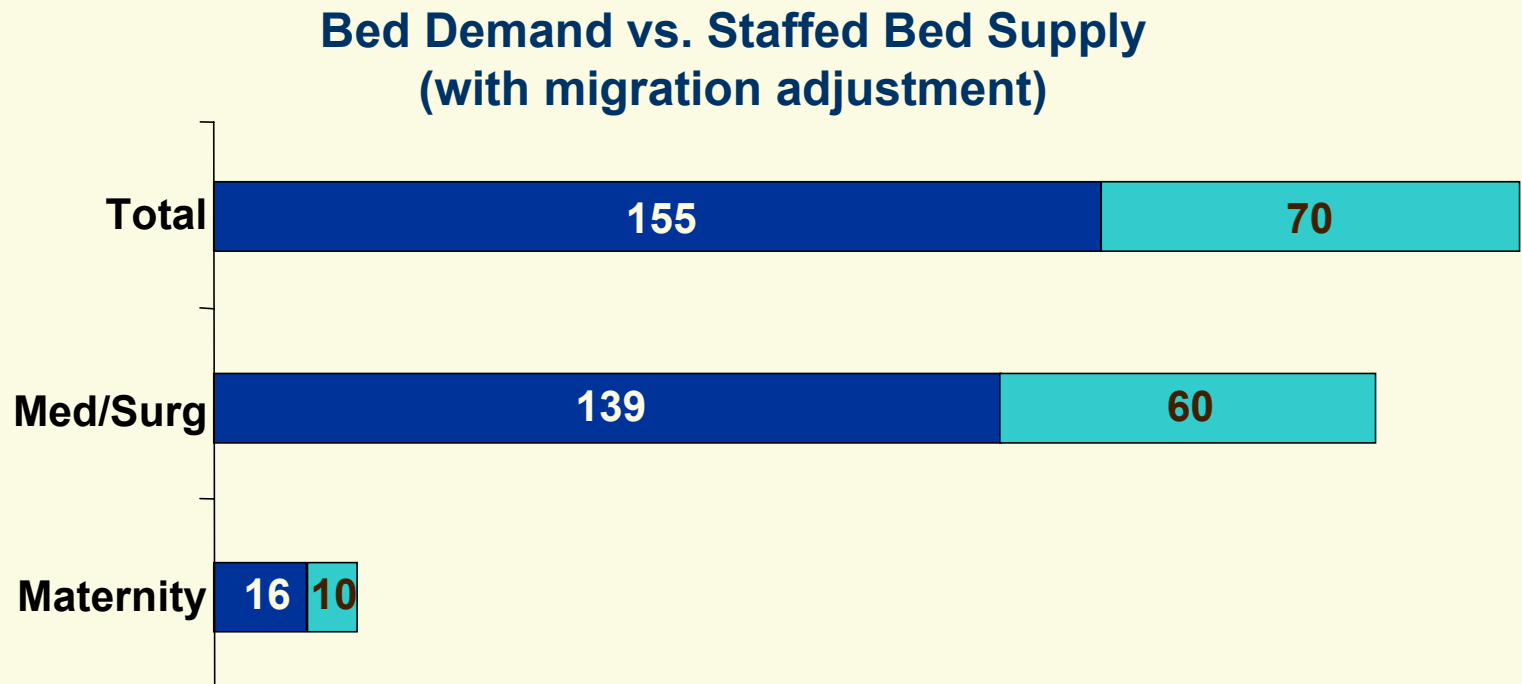
Key Findings: Delivery System Assessment

Resource Assessment: Key Findings

✓ Hospital Resources

- Excess of staffed acute care beds.
- Lack of psychiatric and substance abuse beds.
- Out-migration to other Wisconsin cities and northern Illinois for inpatient care.

Because of Out-migration, Annualized Bed Demand is Less than Available Beds



Based on planning standard occupancy rates of:

1) 80% for medical/surgical services

2) 70% for maternity services

■ Beds Needed ■ Excess Beds

Fewer Hospitalizations for Ambulatory Care Sensitive Conditions

Quality Indicator	Kenosha	
Pediatric Asthma Inpatient Admissions (per 1,000 persons aged 0 to 17 years)	3.39	⇔
Diabetic Inpatient Admissions (per 1,000 persons aged 35 years and over)	0.81	:
Pneumonia/Pleurisy Inpatient Admissions (per 1,000 persons)	3.46	⇔
Short-term Diabetic Complications	4.40%	:
Long-term Diabetic Complications	17.40%	:

Performance to Benchmarks: : More Favorable ⇔ Comparable — Less Favorable

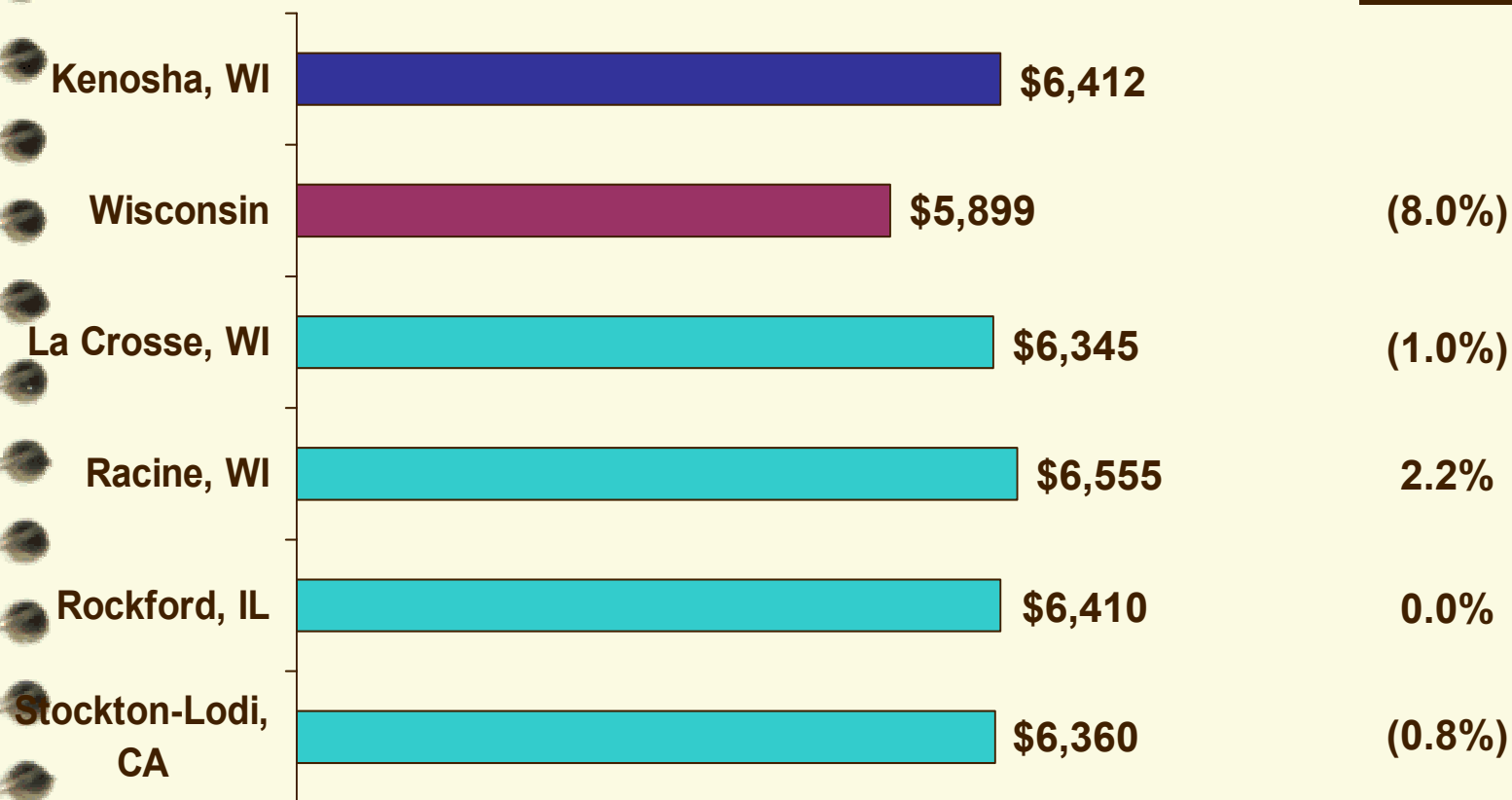
Effectiveness of Care Varies by Condition

- ✓ Kenosha residents experience higher mortality and average lengths of stay for open heart surgery.

Quality Indicator	Kenosha	
Angioplasty Average Length of Stay (days)	3.04	:
Obstetrical Average Length of Stay (days)	2.23	:
Cesarean Section Average Length of Stay (days)	3.44	:
CABG Average Length of Stay (days)	9.78	—
CABG – Mortality (as percent of CABG admissions)	4.42	—
Hysterectomy Average Length of Stay (days)	2.78	↔
Laminectomy Average Length of Stay (days)	3.63	—
Appendectomy Average Length of Stay (days)	3.43	—

Costs to Provide Care are Comparable to Benchmarks

Kenosha Residents Cost per Admission (All Payors) **% Over/(Under)
Kenosha**



Definitions to remember:

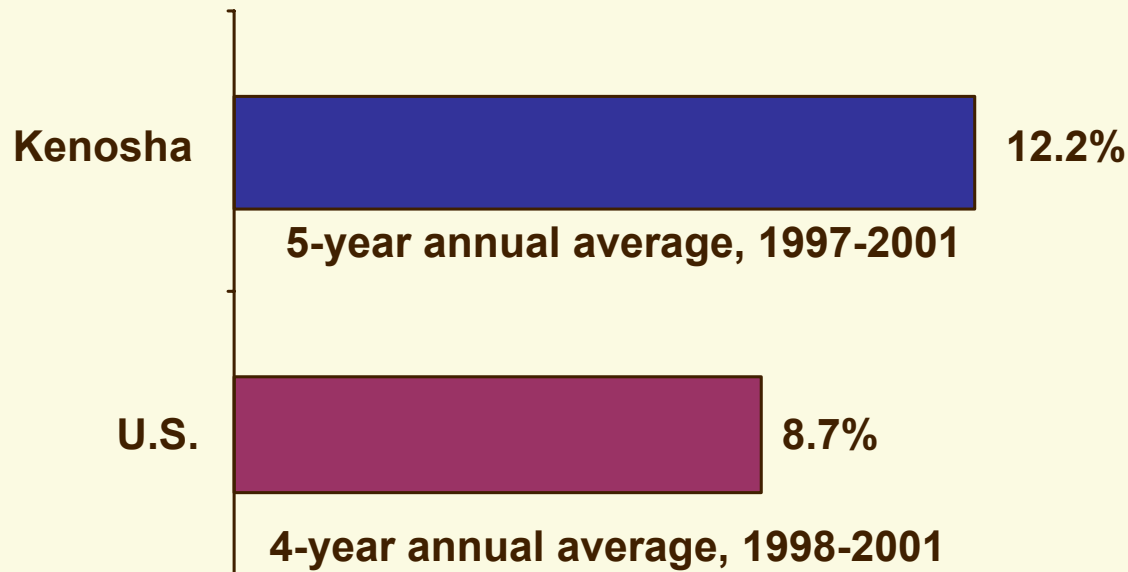
- ✓ Costs: what it takes to provide the care.
- ✓ Charges: what Providers bill for care.
- ✓ Payments/prices: what Providers receive for care they provide.

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Key Findings: Commercial Insurance Payments

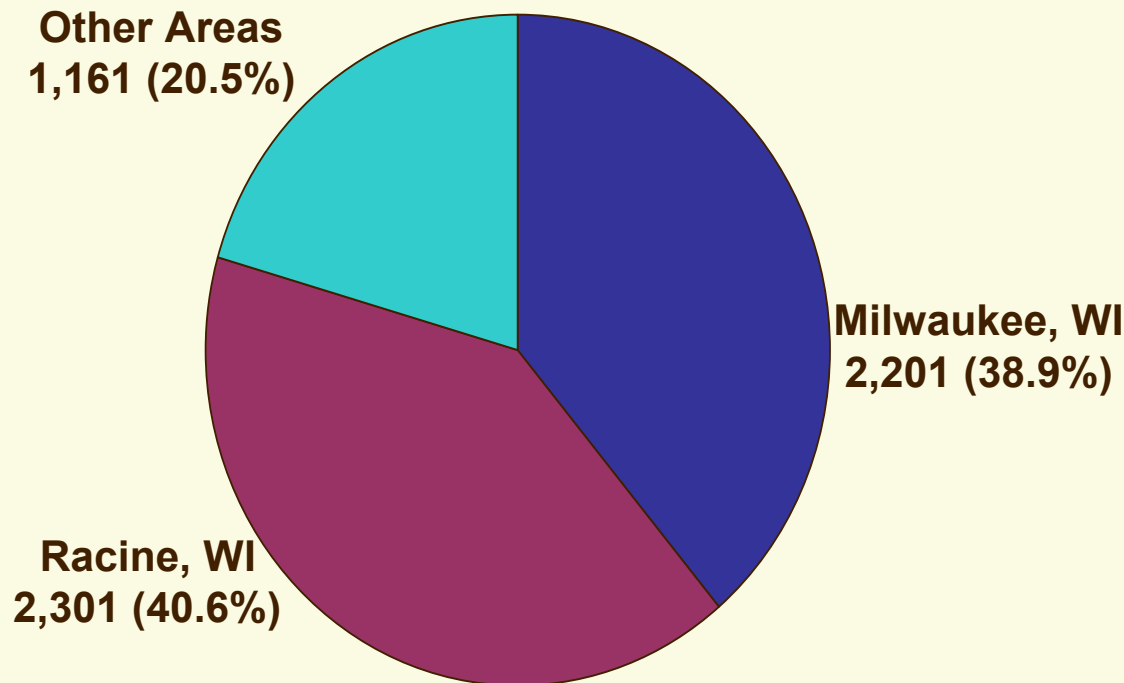
Premium Increases were Considerably Higher than Small Employers Nationwide

Kenosha Area Small Employers Annual Insurance Premium Increases



One-third of Kenosha Residents Receive Inpatient Care Outside the County

- ✓ Residents most frequently travel to Milwaukee and Racine for care.



Total Out-of-area Admissions = 5,663
Percent of Total Admissions = 32.7%

About Half of All Professional Services Payments Go to Out-of-area Providers

Professional Services Payments: In-county Compared to Out-of-county

Total Payments	\$15,584,838
Kenosha County Payments	\$ 7,538,025
Milwaukee Payments	\$ 5,354,466
Racine Payments	\$ 842,296
Other Out-of-county Areas	\$ 1,850,051

Developing a Community Initiative



Organize the Community

- ✓ Work with community to determine areas to focus on.
- ✓ Motivate community to take action.
- ✓ Need to further identify and resolve price disparity.

Subcommittee Development:

- ✓ Economics of Health Care
- ✓ Cardiovascular Disease
- ✓ Health Education
- ✓ Mental Health and Substance Abuse Treatment (potential)
- ✓ Racial Disparities in Health Care (potential)